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FM AMEMBASSY KUALA LUMPUR  
TO RUEHC/SECSTATE WASHDC 7079  
INFO RHEHNSC/NSC WASHDC  
RUEATRS/DEPT OF TREASURY WASH DC

C O N F I D E N T I A L KUALA LUMPUR 001288

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STATE FOR ISN, EB AND EAP  
TREASURY PLEASE PASS TO FINCEN

E.O. 12958: DECL: 07/12/2016  
TAGS: [EFIN](#) [SNAR](#) [KJUS](#) [KTFN](#) [KNNP](#) [MY](#)  
SUBJECT: MALAYSIAN RESPONSE TO TANCHON BANK ALLEGATIONS

REF: A. CENZER E-MAIL 7/1/06  
[1](#)B. KUALA LUMPUR 0750  
[1](#)C. STATE 55463

Classified By: Acting DCM Colin Helmer for reason 1.4 (d).

[1](#)1. (U) This is an action message. See paragraph 4.

[1](#)2. (C) Economic Counselor provided Koid Swee Lian, Director of Bank Negara Malaysia's Financial Intelligence Unit (FIU) July 12 with Tanchon Bank's listing in Reed's Banker's Almanac, which alleges that Tanchon has a correspondent relationship with the Singapore branch of Malayan Banking BHD (Ref A). Koid again confirmed that the FIU has found no evidence that suggests such a relationship and that Maybank officials remain concerned about the allegations of a connection to Tanchon. She said she was sure that Maybank would ask Reed to correct their records. She again asked for confirmation that the USG would correct any of its records suggesting a connection between Maybank and Tanchon.

[1](#)3. (C) Koid and FIU Manager Abdul Rahman Abu Bakar, who was also present at the meeting, said they had received a flurry of inquiries about contacts with North Korean banks immediately following the Banco Delta Asia case in Macau. North Korean financial institutions apparently were seeking new Asian partners. Rahman said that the FIU's advice was to "weigh which relationship is more valuable to you: your connections to the U.S. or to North Korea." They were not aware of any case in which a Malaysia-based bank had responded positively to a North Korean inquiry.

[1](#)4. (C) Action request: Post reiterates the request in Ref B for evidence we can share with FIU that confirms a connection between Tanchon and Maybank, or authorization to inform FIU that U.S. officials agree that the allegation is unfounded. In view of our close working relationship with the FIU, and the importance of this relationship to our counterterrorism finance and money laundering cooperation with Malaysia, it is essential that we provide solid evidence to support the allegation, or clearly withdraw it.  
LAFLEUR